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(Human Resources Development Berhad)
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28 October 2008

EMPLOYERS CIRCULAR NO. 12/2008
RATE OF FINANCIAL ASSISTANCE AT 100%

1. PURPOSE

1.1 The purpose of this circular is to inform employers that

a. the rate of financial assistance at 100% for “allowable costs” in all areas of retraining and skills upgrading that are conducted locally to remain permanent with effect from 1 November 2008; and

b. the rate of financial assistance under the Purchase of Training Equipment and Setting up of Training Room Scheme be increased from 80% to 100% but will still be subjected to 20% of the amount of levy paid in the preceding year with effect from 1 November 2008.

2. BACKGROUND

2.1 The rate of financial assistance for training programmes which were conducted locally (within Malaysia) was increased from 85% to 100% from 1 November 2001 to 31 October 2002. To encourage employers to be more active in providing training and skills enhancement to their employees, the rate was extended in 2002, 2003, 2004, 2006 and will expire on 31 October 2008.

3. THE RATE OF FINANCIAL ASSISTANCE

3.1 The PSMB's Board of Directors at its recent meeting on 23 September 2008 had decided that this rate of financial assistance at 100% for “allowable costs” in all areas of retraining and skills upgrading that are conducted locally to remain permanent with effect from 1 November 2008.

3.2 PSMB hopes that by maintaining this rate of assistance at 100%, it will encourage employers to send their workers for retraining to further facilitate the development of a highly trained, knowledgeable and resilient workforce, particularly the SMEs for them to acquire the skills needed to improve their competitiveness in their respective fields.

3.3 At the same meeting, the Board approved the limit on the rate of financial assistance under the Purchase of Training Aids and Setting Up of Training Room Scheme to purchase basic training aids and setting up training rooms be increased from 80% to 100%. Employers are encouraged to set up training facilities within their premises so that they can conduct more in-house training programmes, apart from enhancing the training culture amongst them. Employers are given the choice to decide on the type of basic training aids that they would like to purchase and on the setting up training rooms. However, the amount to be approved will be subjected to a maximum of 20% of total levy paid in the previous year.

4. EFFECTIVE DATE

- 4.1 The rate of financial assistance on "allowable costs" to remain permanent at 100% for training that are conducted locally is effective from 1 November 2008 and

- 4.2 The rate of financial assistance under the Purchase of Training Equipment and Setting up of Training Room Scheme be increased from 80% to 100% with effect from 1 November 2008 but the total amount to be approved in a current year will still be subjected to 20% of the amount of levy paid in the preceding year.

Thank you.

"PEKERJA TERLATIH MENJANA KECEMERLANGAN"
"PEKERJA INOVATIF NEGARA KOMPETITIF"

Yours sincerely,

(TIEW HAI SAN)
Chief Executive
Pembangunan Sumber Manusia Berhad